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FEDERAL MARITIME COMM

ITSLT/ZIM CROSS SPACE CHARTER
AND SAILING AGREEMENT

FMC Agreement No. 011843-002

Date of Publication:

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AND SAILING AGREEMENT
FMC No. 011843-

002

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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of the Agreement is the ITSLT/ZIM Cross Space Charter and Cooperative Working Agreement (hereinafter referred to as the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of the Agreement is to permit the Parties to achieve efficiencies and economies in their respective services offered in the trade covered by the Agreement.

ARTICLE 3: PARTIES TO THE AGREEMENT

The Parties to the Agreement (hereinafter "Party" or "Parties") are:

1. Italia Marittima S.P.A. ("ITSLloyd Triestino di Navigazione S.p.A. ("LT")
Passeggio S. Andrea, 4
34123 Trieste - Italy
2. Zim Integrated Shipping Services, Ltd. ("Zim")
9 Andrea Sakharov Street
"Matam" – Scientific Industries Center
P.O.B. 1723
Haifa, 31016
ISRAEL

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement shall cover transportation between ports on the United States East Coast and inland and coastal points served via such ports, on the one hand, and ports in the Caribbean, Central America and in the Far East in the Japan Singapore range and inland and coastal ports served via such ports; and vice versa. The foregoing geographic scope is hereinafter referred to as "the Trade".

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ARTICLE 5: AGREEMENT AUTHORITY

5.1 Coordination of Sailing

The Parties may consult upon sailing schedules, service frequency, ports to be served and port rotation.

5.2 Slot Charter

A. Authority

The Parties are authorized to exchange space on their respective services in the Trade. The Parties may agree on the number of slots and/or space to be exchanged and the compensation for such transportation. The Parties may interchange the space allocated to each Party on the terms and conditions and for a compensation to be agreed. The Parties will be initially deploying 9 fully cellular container vessels of which ITSLT will be providing 4 vessels and Zim will be providing 5 vessels. The vessels shall be about 2700 TEU capacity based on an average weight on 10 metric tons per container. The vessels shall have a service speed of about 17.2 knots and a minimum of 98 reefer points.

B. Slot Allocations

ITSLT will take 1200 TEUs, used or not used, on each of Zim's vessels and Zim will take 1500 TEUs, used or not used, on each of ITS's~~LT's~~ vessels at an average weight of 10 metric tons per TEU. Each Party's allocation shall be available to it for any number of liftings within the trade.

C. Designation of Parties as Charterer and Owners

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As used herein, either Party who charters vessel capacity from the other shall be referred to as "Charterer". A Party whose vessel capacity is chartered by the other Party for transportation hereunder shall be referred to as "Owner".

D. Additional Space

The Parties are authorized to provide additional space and deadweight to each other on an as available/as needed basis on such terms as they may agree.

E. Shanghai Draft Restrictions

Both Parties agree to limit their weight to a maximum of 10,200 tons for ITSLT on each Zim vessel and 12,750 tons for Zim on each ITSLT vessel upon arrival and departure from the Port of Shanghai.

F. Sub-Chartering

Neither Party to this Agreement may sub-charter its allocated space under this Agreement to other ocean common carriers without first obtaining the prior written consent of the other Party which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Parties agree that ITSLT is authorized to sub-charter slots from its allocated space to Evergreen Marine Corporation and Hatsu Marine Limited, and Zim is allowed to utilize slots (TEUs) for the carriage of containers shipped by other ZIM fully owned companies and also has the right to sub-charter up to 150 slots (TEUs) from its allocated space to Great Western Steamship Co.

5.3 Calculation of Allocation

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The Parties allocation shall be calculated as a TEU number for containers with an average weight on 10 metric tons per TEU and 40' containers shall be equivalent to 2 TEUs. High cube containers (40' and 45') shall be allocated as the Parties shall determine. The allocation for each Party shall be available to it for any number of liftings within the scope of the service.

5.4 Schedule

The long term schedule of the service will be managed by ITSLT on account of both lines; any deviation from pro forma long term schedule will be immediately communicated to ITSLT so as to ensure berth window availability. Notwithstanding the foregoing, stowage planning and regional operation schedules will be performed by each ship operator.

5.5 Terminals

The Parties intend to use the same terminal in each port. The identity of the terminal at each port will be mutually agreed between the Parties.

5.6 Agents

Each Party shall maintain its own agent at each port of call in the Trade and such agents shall coordinate their efforts regarding procedures, delivery of containers, etc.

5.7 Transshipment

Each of the Parties will make available to the other Party transshipment services from the ports called in Central America and the Caribbean to other destinations in Central America, U.S. Gulf ports and West Coast South America.

5.8 Separate Identity

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The Parties shall retain their separate identities and shall have separate sales, pricing and marketing functions. Each Party will issue its own bills of lading to its shipper, handle its own claims and shall be fully responsible for the expenses and operations of its own vessels and for terminal costs attributed to cargo moved under its own bill of lading unless such costs are the results of actions taken by the non-bill of lading Party.

5.9

The Parties may interchange, establish pools of, or otherwise cooperate in connection with, their empty containers, chassis and/or related equipment to provide for the efficient use of such equipment as between themselves, or to, from, or with others on such terms as they may agree. The Parties may also jointly contract with or coordinate in contracting with stevedores, terminals, ports, inland depots and suppliers of equipment, land or services or make designate the other to provide or manage such services and equipment or equipment pools on the designating Party's behalf. Nothing herein shall authorize the Parties jointly to operate a marine terminal in the United States.

ARTICLE 6: OFFICIALS OF THE AGREEMENT
AND DELEGATIONS OF AUTHORITY

The following persons shall have authority to sign and file this Agreement or any modifications to this Agreement, to respond to any requests for information from the FMC and to delegate such authority to other persons.

6.1 The Chief Executive, or a Vice President for each Party; or

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6.2 Legal counsel for each Party.

ARTICLE 7: MEMBERSHIP, WITHDRAWAL,
READMISSION AND EXPULSION

7.1 Either Party may withdraw from this Agreement by providing not less than six (6) months prior written notice to the other Party, provided, however, that no such notice may be given prior to eighteen (18) months from the entry of the first vessel into the service. Notwithstanding the foregoing, both Parties agree to review the service after six (6) months and will decide by the latest December 15, 2003 how to continue this cooperation for possible upgrading of the service and consequential revision of the space sharing hereunder. If one of the Parties wishes to increase its capacity in this Trade and the other Party cannot accommodate such a requirement out of its allocation and both Parties do not find an agreed solution on this specific subject, then each Party can give a five (5) month notice of termination to be submitted to the other Party no later than December 15, 2003. Any revisions in capacity or any other aspect of this Agreement shall be filed for approval with the Federal Maritime Commission before taking effect.

7.2 Membership is limited to the Parties hereto, except that additional carriers may be admitted or readmitted by unanimous consent of the Parties pursuant to the provisions of the Shipping Act of 1984 as amended by the Ocean Shipping Reform Act of 1998.

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ARTICLE 8: VOTING

Unless otherwise agreed in writing between the Parties, all amendments to this Agreement require unanimous vote of the Parties.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

9.1 Duration and Effective Date

The effective date shall be the date the Agreement becomes effective pursuant to the Shipping Act of 1984 as amended by the Ocean Shipping Reform Act of 1998. This Agreement shall be enforced for a minimum period of two (2) years and thereafter shall continue to remain in effect for an undetermined period, unless terminated by either Party giving a six (6) months notice of its intent to withdraw from the service, provided however that no such notice may be given prior to eighteen (18) months after the first vessel is entered into service pursuant to this Agreement. However, this clause is subject to the provisions of clause 7.1 above which shall override the terms of this clause 9.1.

9.2 Termination

A. The Agreement may be terminated as follows:

- (1) Either Party may terminate this Agreement as per Article 7.1.
- (2) The Agreement may be terminated at any time by written mutual agreement of the Parties.
- (3) In the case of a material breach of the Agreement by one of the Parties, that Party shall correct that breach within thirty (30) days from the date of written notice (specifying such breach or failure of performance). In the event that the breach is not resolved, the other Party has

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the right to terminate the Agreement effective sixty (60) days from the date such notice was given.

(4) If at any time during the term of this Agreement any Party (the "affected" Party) is either (i) dissolved or becomes insolvent or (ii) has a winding up order made against it or enters into liquidation either voluntarily or compulsorily or (iii) seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for the whole or a substantial part of its assets or business, or (iv) is affected by any similar event or act under the applicable laws either of the jurisdiction in which it is formally organized or in any other jurisdiction in which it carries on business or (v) any such event or act has an analogous effect in any other jurisdiction or (vi) if such Party takes any action in furtherance of any of the foregoing acts or events (other than for the purposes of a consolidation, reconstruction or amalgamation) and the other Party is of the reasonable opinion that such event or occurrence is or may be materially detrimental to this Agreement, or that sums owing under this Agreement (other than those disputed in good faith) may not be paid in full or that their payment may be significantly delayed, then such other Party may give notice to the affected Party terminating this Agreement with immediate effect or suspending this Agreement or any part thereof for such period as such other Party in its reasonable discretion deems appropriate, but without prejudice to any accrued rights and obligations hereunder.

B. The FMC shall be promptly notified in writing of the termination of this Agreement.

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C. The termination of this Agreement pursuant to this Article shall not terminate or otherwise affect any accrued obligations of one Party to the other Party under this Agreement which have arisen prior to such termination.

ARTICLE 10: ADMINISTRATIVE MATTERS

The Parties may discuss and agree on general administrative matters necessary to implement this Agreement, including but not limited to performance procedures and penalties, procedures for allocating space, schedule adjustments, forecasting, terminal operations, record-keeping, insurance, claim and settlement procedures, liabilities and indemnifications, the interchange of information and data and who will bear these administrative expenses as the Parties may from time to time agree.

ARTICLE 11: APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of England, except that nothing shall relieve the Parties of their obligation to comply with the Shipping Act of 1984, as amended. However, any dispute between the Charterer and the Owner relating to loss or damage to cargo and containers shall be dealt under conditions and terms agreed by the Parties.

ARTICLE 12: ARBITRATION

Except as otherwise provided herein any dispute or difference arising hereunder which is not amicably settled by the Parties shall be referred to arbitration in London in accordance with the Arbitration Act of 1996 of the United Kingdom and the Rules of the London Maritime Arbitrators Association (LMAA). Each Party shall appoint one arbitrator and in the event the

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two arbitrators cannot agree, the case is to be referred to an umpire appointed by them. In the event that after one Party appoints an arbitrator and the other fails to appoint one within fourteen (14) days of such written notice, then the decision of the single appointed arbitrator shall apply.

ARTICLE 13: FORCE MAJEURE

Except as may be otherwise specially provided herein, neither Party shall be liable for a failure to perform its obligations hereunder or deemed responsible for any loss, damage, delay insofar as such Party can prove that (i) it could not have foreseen the occurrence of such event (ii) that the impediment to its performance actually resulted from one or more of the following events, the enumeration not being exhaustive: war (whether declared or not), warlike operations, terrorist act, civil commotion (or civil war), invasion, rebellion, sabotage or other work stoppages, hostilities, blockade, strikes, lockouts, labor disputes, nuclear accidents, unusually severe weather, regulations, or order of governmental authorities. Acts of God, or inability to obtain material or services, any other event whatsoever proven to be beyond the control of the Party concerned and (iii) that there were no reasonable steps which such Party could have taken to avoid, minimize or reduce the impact of such events. In the event that the Force Majeure continues for a period of forty-five (45) continuous days, either Party hereto may terminate this Agreement by giving sixty (60) days prior written notice to the other Party.

ARTICLE 14: NOTICES

All notices required by this Agreement shall be sent by facsimile, telex, e-mail or other electronic means, with a confirmation copy sent by registered mail, return receipt requested, addressed as set forth below. All other written communications pertaining to or in connection

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with this Agreement may be sent by facsimile, telex, e-mail or other electronic means, addressed as set forth below:

1. Italia Marittima S.p.A. ("ITSLloyd Triestino di Navigazione S.p.A. ("LT"))
Passeggio S. Andrea, 4
34123 Trieste
Italy
2. Zim Integrated Shipping Services, Ltd. ("Zim")
9 Andrea Sakharov Street
"Matam" – Scientific Industries Center
P.O.B. 1723
Haifa, 31016
ISRAEL

Any notice so served by facsimile, e-mail or electronic means shall be deemed to have been received twelve (12) hours after the time of dispatch provided an error-free transmissions report has been received by the sender. However, for claims totaling less than US\$100,000, the LMAA Small Claims Procedure shall apply.

ARTICLE 15: NON-ASSIGNMENT OR CHANGE OF COMPANY OWNERSHIP

A. Except as specifically previously provided herein, no Party shall assign or transfer this Agreement or all or any part of its rights hereunder to any person, firm or corporation without the prior written consent of the other Party.

B. If at any time there shall be any change in the control or in the material ownership of any Party to this Agreement and if the other Party is of the opinion, arrived at in good faith, that such change is likely materially to prejudice the cohesion and/or viability of this Agreement, then such other Party may within three (3) months of becoming aware of such change give no less than three (3) months written notice to terminate this Agreement.

ARTICLE 16: ENFORCEABILITY

Notwithstanding that any provision of this Agreement may prove to be illegal or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

ARTICLE 17: COUNTERPARTS

This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original, but all together shall constitute but one and the same instrument.

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ARTICLE 18: SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by
their duly authorized officers or agents.

Italia Marittima S.P.A. Lloyd Triestino di Navigazione S.p.A. Zim
Integrated Shipping Services, Ltd.

By: _____
Paul M. Keane
Attorney-In-Fact

By: _____
Paul M. Keane
Attorney-In-Fact